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Elliott, Howard

Some difficulties of the
transportation business

[New York]

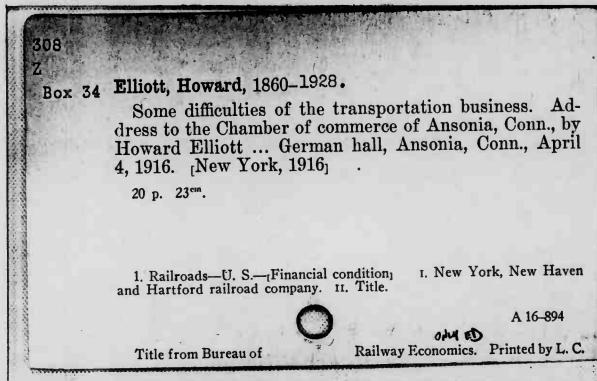
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SOME DIFFICULTIES OF THE TRANSPORTATION BUSINESS

Address

to the

**Chamber of Commerce of
Ansonia, Conn.**

by

HOWARD ELLIOTT

Chairman of the Board and President

of

The New York, New Haven & Hartford
Railroad Company



German Hall, Ansonia, Conn.

April 4, 1916

Mr. President, Mr. Toastmaster, Mr. Mayor and Members
of the Ansonia Chamber of Commerce:

One of the pleasant things about work on a railway is getting away from the office, from the desk, where all difficulties center every day and where you have a picture of the countless problems of a complicated system like the New Haven. It is a great pleasure as well as an inspiration to the officers of the company to meet the business men in the communities the company is trying to serve and as many of the patrons of the company as possible. It has been a regret to me and to many of our officers that the storm and stress of the last two and a half years since I came to the property have been so great that it has been difficult to get about on many trips of inspection. These trips are productive, I think, of good results in bringing those who are trying to give service in closer contact with those who receive service; so it is a pleasure for the officers who are with me and for me to be with you to-night.

Mr. Drew, Vice-President of your organization, wrote me a week or so ago and asked if I would come, and I found my engagements such that I could. I was glad indeed to have an opportunity to come into the Naugatuck Valley to spend an afternoon and evening here; I am going on north to-morrow morning. He then wrote and asked what would be the subject of my remarks. I replied that I would talk about some of the difficulties confronting the transportation business.

Now, as your toastmaster has said, your patience has been and is even now sorely tried and you know from daily experiences some of the difficulties confronting the transportation business. As you are all busy men, you have trials and tribulations in your own affairs and perhaps you do not give sufficient thought to some of our difficulties; or to some of the forces now at work which

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make it hard to cure those difficulties. As the subject is vital to the welfare of the United States, the welfare of New England and the welfare of the Naugatuck Valley, and to every manufacturer in it, I thought it might be of interest to speak of it.

The Great Business Boom. To begin with, we know that up to less than a year ago business throughout the United States was not very good. We had many idle freight cars all over the United States. We had many idle engines. We had many men unemployed and committees in various cities were asking employers of labor to give employment to men. Many of us felt, I know I did, business would improve, but many made the mistake that perhaps I made—we did not realize it would improve as fast as it has. Even as late as the first of August last, only eight months ago, the New Haven Road had 200 engines in apple-pie order, laid up in what we call white lead on side tracks with nothing to do. Then this business, this wonderful business started. One hundred million people of the United States had been stimulated in their activities by the demand for so-called war materials. Then, too, the shelves of countless storehouses all over the country had become depleted of all kinds of goods. The buying power of 100,000,000 people started, and this busy New England, filled with manufacturing enterprises, began to receive orders. In this valley, which, as your toastmaster says, is one of the busiest of its size in the world, the acceleration of business was perhaps greater than in any other part of New England. Knowing I was to come here, I had figures compiled typical of this remarkable business growth, and fortunately for me the man who compiled the figures linked Ansonia and Derby together, so I cannot draw a comparison between the two. (Laughter.)

The tonnage for January, which is simply a typical month for the two places, increased 76 per cent. over January a year ago, the tonnage of Naugatuck increased

85 per cent., Seymour 147 per cent., Union City 39 per cent., Beacon Falls 110 per cent., or an increase of 86 per cent. for the group of points in which you are directly interested. That was a tremendous uplift in business development. The railway struggled to meet it but it met with some of the difficulties you have met in your business. It has had labor troubles; we have had only thirty-four strikes since August 24—not very many, but quite a number. We have had very unusual weather conditions, and, as our business is outdoor business, these unusual weather conditions have diminished the efficiency of our machine. We had in the ninety-one days beginning December 1 and ending February 29, fifty-eight that were either snowy, stormy or foggy. A foggy day on the New Haven Road, while it does not always trouble you in the Naugatuck Valley, has a direct effect on the volume of our business, because it checks everything in New York Harbor and that backs up all along the line. The snowfall especially has been very unusual. In the four months beginning with December there have been seventy-four inches in this part of the State; out around Poughkeepsie there were more and up in the Pittsfield country very much more. We have had the same trouble you have had in getting proper fuel and enough of it; and we have had, as I have pointed out, various labor troubles. We have had inadequate facilities, as you well know, and so have you.

Freight Congestion in Naugatuck Valley. The record for the month of March, which has just closed, shows in this part of the Naugatuck Valley that we had a daily average of 131 cars of freight placed ready for unloading by the owners of freight, and the average number unloaded each day by the owners was but 44 cars, which indicates that you too, had difficulties with your labor, with your teams and with your machinery in getting the freight taken out of the cars so that the cars could go on their way—taking out the finished product for you and bringing back

raw materials. Now, this great growth of business was not confined to the Naugatuck Valley, for at New Haven there was a growth of 74 per cent., at Bridgeport 54 per cent. and at Waterbury 81 per cent. I mention these three points because if they become crowded and unloading is slow it at once affects you. As a result of these conditions, our service either passenger or freight has not been up to the mark. We feel as badly about this as anybody, perhaps more so, because it tends to reflect upon us, and yet the obstacles have been almost insurmountable. Out of this trouble let us hope profitable lessons may be learned.

One lesson is that the owner of the freight should realize, if he wants the maximum amount of use of the railway,—he must do his part in relieving the railway of freight when it comes to the point where it is to be discharged. On the New Haven Road, as a whole, for the month of March, we had placed each day for unloading approximately 13,000 cars. Some days the number was as low as 11,813, and the highest figures for any one day in that month were 13,905; that is, freight belonging to you and others all over Connecticut, Rhode Island and Massachusetts, for your men and your teams to take away to your factories, warehouses, etc. The unloading during the month mentioned—the highest for any one day was 4,600 cars and the lowest 3,609; you see, from 30 to 40 per cent., not quite 40 per cent., was unloaded. Well, that is a very uneconomical way for you and for the railway to do this enormous business, and it can only be cured in two ways: first, by the railway having better facilities, and, second, by you having better facilities.

A Record of Loading and Unloading.

Let me give you a few figures for March 31 from a daily report made up for a special committee of Railway Presidents in New York, of which I happen to be one, and for a subcommittee which is composed of Interstate Commerce Commissioner E. E. Clark, Mr. Campbell, a Vice-President of the New Haven Company,

and Mr. Casey, an officer of the Lackawanna Road. These three and this committee of railway presidents are trying to get the maximum use out of all railways east of Buffalo and Pittsburgh. They take all reports of congestion and delays and consider them every day in New York from nine in the morning until six in the evening. They have about twenty-five inspectors traveling over the territory mentioned to find out where the trouble is located. This report is made up for each road, and particularly for this New England section, where, because of the great influx of raw material, there has been very serious congestion. At New Haven, for example, on that day there were:

410 cars ready to be unloaded;
242 unloaded.

At Bridgeport:

292 ready to be unloaded;
189 unloaded.

At Hartford:

436 ready to be unloaded;
163 unloaded.

At Waterbury:

336 ready to be unloaded;
181 unloaded.

At New Britain:

108 ready to be unloaded;
73 unloaded.

At Springfield:

134 ready to be unloaded;
33 unloaded.

At Ansonia:

119 ready to be unloaded;
38 unloaded.

At Holyoke:

141 ready to be unloaded;
61 unloaded.

At Danbury:

82 ready to be unloaded;
59 unloaded.

At Torrington:

126 ready to be unloaded;
34 unloaded.

At Willimantic:

38 ready to be unloaded;
37 unloaded.

At Boston:

854 ready to be unloaded;
371 unloaded.

At Providence:

2,000 ready to be unloaded;
832 unloaded.

At Worcester:

195 ready to be unloaded;
149 unloaded.

At New Bedford:

251 ready to be unloaded;
53 unloaded.

At Fall River:

100 ready to be unloaded;
100 unloaded.

At Putnam:

73 ready to be unloaded;
43 unloaded.

At Framingham:

51 ready to be unloaded;
44 unloaded.

At Norwich:

66 ready to be unloaded;
50 unloaded.

In other words, except at one or two points, nowhere near the number of cars placed ready for unloading were released—which shows a gap in the ability of the owners of the freight to unload cars. There is, as I say, a lesson to be learned from this difficult situation. It is, not only must railway facilities be increased, but also must the storehouse facilities and the handling facilities of the merchant and manufacturer be increased.

The Providence *Journal*, commenting on the situation, recently had quite a strong editorial and I will read part of it because it well sets forth the facts. Among other things the editorial said:

"In parts of New England to-day industries are threatened with closure for want of raw material, live stock faces starvation for lack of fodder, coal is likely to be quoted at a distressing price on account of the inability of the railroads to help the limited vessel tonnage, and appeals to the shipping public to release freight cars fall on deaf ears. The consignee pays a dollar a day a car for demurrage and acts as if that relieved him of his share of responsibility for the freight congestion. With stocks of every necessity of life that must be brought into New England depleted by the embargoes and blockades, the railroad and the public also face the threat of the greatest and most complete railroad strike in history.

"Practically all the freight that comes to the New Haven Road from its connections must be given terminal service and ends its journey on that system. It must furnish yard room, and if the consignee fails to unload it the road can do no more than charge a dollar a day a car unless the Interstate Commerce Commission permits an increase in the rate."

We had one case, I am sorry to say it was at Providence, where an owner held ninety cars of freight on the track for eighty-nine days and paid a dollar a day, but that sum didn't reimburse the railway nor reimburse you for the misuse of those cars. One case in Connecticut was where 300 cars of coal were brought in, bought on speculation and disposed of at the rate of three a day. These things are very bad, they hurt you and they hurt every shipper in New England. Another case the special committee has just taken up, was where three cars of automobiles, billed order notify, were held for a total of 138 days, one car being held as long as eighty-four days. This misuse of railway facilities does harm all the time

and yet, as I say, out of this difficult situation we may be able to learn a lesson which will help us for all time to come.

**Problems of
Railways and
Manufacturers.**

Now, you gentlemen are in the manufacturing business and have many difficulties similar to ours. You, perhaps, do not think of us as in the manufacturing business, and yet we are. We are manufacturing a diversified product, transportation, which is scattered over considerable territory and subject to many of the conflicting forces that your business is subject to. But we cannot store up our product as you can. We had any quantity of manufacturing ability last July to produce transportation, for, as I have said, we had 200 engines in apple-pie order with nothing to do, but we couldn't make transportation, put it away and have it ready for you this winter; and this transportation machine of ours is now out of gear and it is out of gear because our product is not getting a price commensurate with the cost of production. It would be well for you who depend so largely on the adequacy of the transportation product to think of our situation. No doubt you have, but it is so important a subject that I want especially to bring it to your attention.

**Heavy Increase in
Transportation
Output.**

In 1907 the Interstate Commerce Commission adopted a uniform set of accounts for the railways of the United States, so that they could make comparisons on the same basis, and these accounts are subject to the inspection of the Commission and must be sworn to by a responsible officer of the railway company. We have every reason to believe that they are correct. For the year ending June 30, 1915, the railways of the United States manufactured of the product they sell, measured in the units we use, 66,000,000,000 more ton miles than they did in the year ending June 30, 1907; 66,000,000,000 tons hauled one mile more in 1915 than in the

year ending June 30, 1907! That increase was thirty-three times as much as the entire ton mileage handled by the New Haven system. And the railways of the country increased during the same period their passenger transportation output 4,000,000,000 passengers, hauled one mile, which is three times as much as the annual passenger transportation product of the New Haven. The owners of the railways in the United States, in order to furnish that product to the people, put into the plant, \$4,800,000,000—nearly \$5,000,000,000 new money for additional tracks, new buildings, etc., for the period mentioned. Before they put in the \$4,800,000,000 the owners had \$760,000,000 left, after paying expenses and taxes, for betterments and improvements and for a return on their investment. After putting the \$4,800,000,000 into the plant in order to furnish the United States this additional transportation product they had \$739,000,000 left, or \$21,000,000 less than nearly ten years before. This presents a very important situation to the country and to all who must have the transportation product for the success of their business. As business men, you know that people will not continue to put money into any business if they get no return on it, and this is one of the reasons to-day why railway facilities throughout the United States are inadequate; why your coal is not coming in as fast as you want it, and why your product is not going out promptly. It isn't only a New England matter. It is a national situation.

As your toastmaster said, the difficulties here in New England have been accentuated by various happenings of which the papers have spoken much during the last few years. But apart from those matters the inadequacy of railway facilities is a national problem. The great Pennsylvania Railroad, which has not had some of the troubles of the New Haven, also has had trouble in moving its business. It has to-day on its rails nearly 10,000 cars of freight for points on the New Haven Road, which we are ready to take. We have for the time lifted the embargoes and yet the Pennsylvania is having diffi-

culty in sorting out those 10,000 cars from the twenty or thirty thousand other cars on its lines and moving them up to the proper junction points on our lines. I repeat the whole subject is one of great national concern.

The New Haven I walked and drove over the terminal Ought to Spend situation here to-day. Your good friend Millions. and my good friend, Mr. Brooker, took me about, and I also saw that beautiful town of Derby, and all the track facilities. We should spend a lot of money here; we know it, and we should spend a lot of money at many other points on the New Haven Road. A low estimate of what the New Haven Road should spend to be able to turn out a first-class article of transportation in New England territory is probably \$30,000,000; more likely \$50,000,000.

I believe we are to increase our business. In the period from 1903 to 1914 the transportation output of the New Haven Road increased between 40 and 44 per cent., and it is going to increase in the next ten or twelve years an additional 30 to 40 per cent. if you and men like you, and the people generally throughout the United States, will see to it that the transportation agencies are able to increase their facilities; but it is going to take money and it cannot be done simply by one railway improving its facilities, because a chain is no stronger than its weakest link. If we should improve our lines and the New York Central and the Pennsylvania were blocked it would not help very much, or if they improved their lines and we did not improve ours it would not help very much.

The New Labor Demands. I want to say a few words about the labor situation. I told you we have had thirty-four strikes since the twenty-fourth day of August; and you have had your own labor troubles. The labor problem is also a great national problem. The *New York Times* on March 31 had a very

good editorial on the subject. I want to read briefly a part of it because it puts the situation in a very thoughtful way. It says:

"All the money a railroad takes in is for passenger and ton miles. A railroad does not sell its trains; it sells only their capacity. What it gets from the passengers and tons, which occupy that capacity, is out of its control entirely. Rates are made by State laws or by the Interstate Commerce Commission. Unable to control its income the railroad has all the greater reason to look to the cost of its train miles—that is, to the control of its outgo. If it should lose control of its outgo, having already lost control of its income, it would obviously be in a parlous condition, but exactly that is taking place.

"The largest factor of cost in the production of train miles is wages and it is becoming altogether uncontrollable. The men engaged in train service demand with increasing frequency more pay for less time under threat of going on strike. They are persuaded at the last moment to accept arbitration, and invariably the matter is compromised. The men get less than they demanded, but more than the railroads were willing to give. Less than two years ago that last occurred. Now 400,000 men are again threatening the companies with a calamity that cannot be allowed to happen, and in order to prevent the railroads from putting in counter-proposals, as they did in 1914, the unions lay down flatly that only the proposals which they themselves present are open to discussion. Any that the railroads may wish to present are declared beforehand to be undeserving of consideration by the unions. It seems necessary to re-state these simple facts in order to bring the situation into perspective. Let us look at it in a sense of formal fairness, waiving all the merits. A combination of 400,000 men deliberately menaces the comfort, safety and general well-being of society, in order to get

more pay and then would limit the discussion to the very point of its demands. The railroads say 'we want to be heard on questions touching the fairness of existing rates, rules and conditions of labor in the railway service.' The unions say 'rates, rules and conditions not specifically affected by our present demands shall remain unchanged, they are not open to discussion.' What can the railroads do? They cannot strike. There is no court, no tribunal where they may get a hearing and obtain relief. They cannot reduce wages, equalize them or control them at all. The employees control wages, subject to arbitration, in which they always win something.

"In the circumstances, if you were a railroad what would you do? You would wish no doubt to sell not only your ton and passenger miles, but your trains as well, but that you couldn't do. One of the many things a railroad cannot do is to liquidate and quit. If you were a railroad you would do perhaps as the railroads do. You would do the best you could."

We cannot wind up our business, we cannot give it up, we are here to serve you and we must have your help. It is not a question just now of whether the men are getting too much or too little; it is a great problem of national importance whether this transportation factory can go on and manufacture the product you must have if you are to increase your output. If it is fair and right to raise the compensation of those 400,000 men 25 per cent, who is to say that it is not equally fair and right to raise the compensation of the 1,200,000 or 1,400,000 other men in the railway service, and who can justly say they are not equally deserving? A 25 per cent. increase in the payrolls of the railways of the United States would put many of them into bankruptcy and would stop all additions necessary to the plant if it is to give you the product you must have. In this connection I believe thoughtful con-

sideration should be given to the selection of men to public office, to commissions and to the legislatures.

Duty to Investors. Perhaps it is not unnatural for you to say this matter is not our business, but rather is it the business of the railway managements to attend to the problems confronting them. What is the management of a railway? The railway, as I say, is a great big piece of machinery created by thousands of people. Take the New Haven Road as an example. About 28,000 stockholders and probably 20,000 bondholders, or at least 45,000 individuals own that great manufacturing plant. They hope, as do you in your manufacturing plants for a return on their product. They select a board of directors to manage the property, and the board has to meet many conflicting forces. The directors have the interest of the owners at heart, and the owners are entitled to some return on their investment. If the owners are note holders or bond holders they are entitled to their interest and to the safeguarding of their investment and if they are stockholders they are like your stockholders in the manufacturing business—they hope for a dividend. The directors and management must try to furnish the transportation, and they have as well, a duty to the employee.

It is a trying time in the world just now. All business is surrounded by conflicting forces, as well as the country at large. It seems at times very difficult for us to say what any one man or group of men can do with these large business questions confronting the nation.

I have a little quotation which I keep on my desk at home because it always appeals to me; something that Mr. Huxley said. It is no doubt familiar to many of you, but it emphasizes the point I am trying to make regarding the great forces now at work and of the great game in which we are all engaged.

Mr. Huxley said:

"The life, the fortune and the happiness of every one of us and more or less of those who are connected

with us do depend upon our knowing something of the rules of a game infinitely more difficult and complicated than chess. It is a game which has been played for untold ages, every man or woman of us being one of two players in a game of his or her own. The chess board is the world, the pieces the phenomena of the universe, the rules of the game are what we call the laws of nature, the player on the other side is hidden from us. We know that his play is always fair, just and patient. But also we know to our cost that he never overlooks a mistake or makes the smallest allowance for ignorance. To the man who plays well the highest stakes are paid with that sort of overflowing generosity which the strong shows delight in strength. And one who plays ill is checkmated without haste, but without remorse."

We are all trying to play that game, but all are human and make mistakes. The directors, the officers, myself and the officers associated with me, the junior officers all down the line—I honestly believe are trying to do the best they can with the great difficulties confronting them. The task in which they are engaged cannot be solved unless we have a better public opinion concerning the railway business, a public opinion that is the result of thoughtful, careful, prudent study. With the help of a public opinion so framed I believe we can solve these problems; but if we cannot solve them I am fearful that we will have more difficulties before we get out of the woods.

Commissioner Daniels on a Living Wage.

As I have said, I call our business a great manufacturing business, similar in many respects to yours. Mr. Daniels, one of the members of the Interstate Commerce Commission, has said a good and perfectly obvious thing, namely, that the railway is entitled to a living wage; in other words, the laborer is worthy of his hire.

Mr. Daniels, in the so-called 5 per cent. rate case, made an excellent statement as to the absolute necessity of supporting the railways if they are to serve the public as the public should be served. He said:

"The world-wide phenomenon of rising prices is by this time no novelty. Since 1906 the average rise in the world's price level is estimated by competent statisticians at from 30 per cent. to 50 per cent. It has mirrored itself in the rising cost of living; it has evoked, and most properly, advance in wages and salaries, it has coincided with an increase in the nominal rate of interest, where part of the interest so-called is but compensation for the anticipated depreciation of the capital sum later to be repaid. This rise in the price level must eventually be reckoned with in railroading. For a time its effects may be masked by adventitious increases in the volume of traffic, but this temporary relief in its very nature is uncertain, and sooner or later the difficulty is sure to reappear. For a time it may be circumvented by extraordinary economies, but in its nature it is inexorable. It must be faced, not trifled with. It is hardly an adequate remedy to accord to carriers relief only when their returns have reached the well-nigh desperate level now shown in central freight association territory. Even before this inadequate return was evidenced higher rates were warranted. Such a solution of the present case would have done no less than justice to the carriers and would have promoted the welfare of the community they serve.

"A living wage is as necessary for a railroad as for an individual. A carrier without a sufficient return to cover costs and obtain in addition a margin of profit large enough to attract new capital for extensions and improvements cannot permanently render service commensurate with the needs of the public."

Big Increase in Prices of R. R. Materials. We have been confronted with very large increases in the prices paid for materials since the Commission's last freight rate opinion.

A short time ago the St. Louis and San Francisco Railway made a careful compilation of the cost of thirty-six classes of materials the company used. I take it their figures would probably not be very far out of the way of those of other railways. They found that the thirty-six classes of materials they had to use in the manufacture of their product showed increases in cost from 80 to 700 per cent. over two years ago. Of course, the 700 per cent. item was for a special article, but let us suppose the average increase to be 25 or 30 per cent. We all know there have been marked increases in the prices of railway materials.

Passenger Train Service at a Loss. Let me give you some very simple figures as to the passenger service of the New Haven Road. Your passenger service, as I know to my sorrow, has not been satisfactory and yet it is not remunerative to the railway—very little of it is, but it is necessary for the general development of the whole territory. For the eight months ending February 29 the passenger trains running on the New Haven Road earned \$2.22 per mile. That was one of the highest average earnings per train mile in the United States. The New Haven is a great carrier of passengers, and those who do not study railway figures would say that that record was fine, and we were making lots of money. But let me remind you that the average cost of running all the trains for the same eight months was exactly \$2.22 per train mile. The average cost of passenger train service, eliminating all questions of maintenance and applying only what we call transportation costs, station service, engine service, train service, is \$1.21; but we must remember that the passenger trains are wearing out the railway just as much as the freight trains; and the equipment must be kept in order, and more and better

cars must be purchased. The February earnings per passenger train mile were \$2.14, and the average expenses \$2.46.

It would seem as if you must face and we must face, if we are to go on adding to our plant in such a way that we can produce a better quality of transportation and in greater quantity, some increase in rates. Perhaps if the weather improves and things clear up somewhat our expenses will not seem so appalling; but you must remember we have to pay higher prices for fuel and all materials and continued large increases in wages; and I cannot see any way out except by an increase in rates unless New England is to be satisfied with a postponement of improvements for perhaps an indefinite period. I hope we will not have to do that, because there is so much to be done to make our plant satisfactory.

Railways Need Help of People. In the country there are many movements. We have agricultural congresses, good roads congresses and uplift congresses. There are all sorts of movements in the interest of the public welfare, and yet there is not enough thought given by the public at large to the very serious transportation problem. It needs not only the help of the thousands of men in the railway service, but it needs the help of the people. I know many of the railway men, and I think that 99.9 per cent. are animated by a high purpose to serve not only their railways but to do their duty to the public. The railways are your servants. All the money they collect comes from you and in return most of it is passed right back to the New England communities in payment of wages and taxes and for materials. The great bulk of the money collected goes right back to the New England people except the money spent for coal and certain metallic articles. We must have a living return. If we don't have it we cannot add to our plant; we cannot give you what you want and that is going to hurt us all.

I have tried to point out some of our difficulties. They are not unusual; similar difficulties confront you, but you are able to meet them because you can and do raise the price of your product. At the present time the railways need great forbearance and much help if they are really and truly to push the country forward to bear the great burdens of the business onrush imposed by the conditions of the foreign war.

High Type of New Haven's Men. I am glad to have an opportunity to come here and say this much to you. It is, as I have already remarked, helpful to us who are at headquarters much of the time to get about and meet our patrons face to face. We try to have on guard all over our road honest men, high-minded men, men of capacity, men of sincerity. I believe in the men we have, the 36,000 men on this great railway. There are some, of course, who are no more perfect than those in other walks of life. We know we have our shortcomings and we wish we could overcome them. There are only about 100 officers and we have several million customers, but, as I say, we try to have the men at stations and on the divisions do the best they can with the facilities with which they are furnished. You had here for a long time Mr. Judson as agent. He did good work for you and for the railway. He was finally worn out and has been retired on a pension. Mr. McArthur is a zealous, active man, trying to please you. His head and heart want to do it, but he cannot always accomplish all that you desire. And you have Mr. Casey, the yardmaster; he wants to do the best he can; and Mr. Moran, the ticket man; all want to do the best they can. They want to bring all complaints to their superior, Mr. Miller, and he in turn submits them to Mr. Droege, and so on up to the management.

Our ability to improve the service is limited by the money question. We must have earnings and we must have credit to bolster us up so that we can add to our

facilities. We have been through a stormy time to save the company from what seemed at one time almost certain dissolution.

I am glad always to have an opportunity to talk to a body of business men like the Ansonia Chamber of Commerce. I think the railway problems to-day are more important in their ultimate effect upon the future of this country than was the silver question which was fought so effectively in 1896, and with this in mind let me ask you to consider the seriousness of the railway situation and to do what you can with your members of the Legislature, your Senators, your members of the House, your Railway Commissioners, and your government to point out some of the great difficulties confronting all business, and particularly the transportation business. They cannot be cured by the railway managements alone —the cure must come through the joint action of the railway managements and the great public that the railway managements are honestly trying to serve.

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